



ps energy group inc



Happy Holidays

PS Energy Group Newsletter December 21, 2011

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Meet PS
Energy's Controller

US OIL FUTURES: Nymex Crude Gains Ahead of Inventory Data

- Nymex crude rises 55 cents to \$99.79 a barrel
- Analysts see 2.4-million-barrel decline in U.S. crude stocks
- ECB emergency measures offer hopes for stability

NEW YORK (Dow Jones)--Crude futures moved higher Wednesday, ahead of weekly government data on U.S. crude inventories that is expected to show declining stocks.

Light, sweet crude for February delivery recently traded 55 cents, or 0.6%, higher at \$99.79 a barrel on the New York Mercantile Exchange. Brent crude on the ICE futures exchange traded 34 cents higher at \$107.07 a barrel.

Oil futures rose ahead of data from the Energy Department that analysts expect will show a 2.4-million-barrel decline in the week ended Dec. 16. Late Tuesday, the American Petroleum Institute, an industry group, said its own data showed stocks fell 4.6 million barrels..

Stockpiles typically decline towards the end of the year as refineries adjust their inventories to minimize costs. But the declines, coupled with emergency measures taken by



Jerry Ross has 30 years of experience in finance and accounting. As PS Energy's Controller, Mr. Ross monitors and implements PS Energy's internal financial controls and oversees the accounting functions of the corporation.

Expiration of Ethanol and Biodiesel Blending Credits

The Volumetric Ethanol Excise Tax Credit (VEETC), also known as the "blender's credit," is the primary federal tax incentive for the use of ethanol.

This ethanol tax credit (along with the biodiesel blending credit) will expire on December 31, 2011. As such, PS Energy will no longer pass these credits on to their customers, and they will not be displayed on customer invoices.

In the event that the U.S. Congress makes changes or grants an extension of these credits we will be certain to

the European Central Bank Wednesday, helped boost crude prices.

"Overall, the EU is looking a little more stable," said Carl Larry, analyst at Oil Outlooks and Opinions. And a drop in crude stocks, he said, would continue "a year of major drawdowns of crude. Going into next year, that could mean higher crude prices, domestically and globally."

The European Central Bank offered EUR 489.10 billion in emergency three-year loans Wednesday, which were eagerly tapped by 523 banks. The ECB allotment represented the first of two financing operations. While initially the euro fell against the dollar, a situation that often weighs on crude futures, it quickly reversed course.

Oil traders have kept a close watch on developments in Europe, worried that the debt crisis there could weigh on global growth and oil demand.

In recent months, U.S. crude stockpiles have fallen as demand for fuel products globally has raised U.S. exports, in part making up for slack domestic gasoline demand.

China, Brazil and other developing countries are still hungry for diesel and other fuels. Additionally, analysts say China is working to build up its strategic petroleum reserves, which could boost demand.

In the weekly Energy Department data, gasoline stocks are seen rising by 1.2 million barrels, while stocks of distillate, which include heating oil and diesel, are seen dropping by 300,000 barrels.

Refinery utilization is expected to increase 0.3 percentage point to 85.4% of capacity.

Front-month January reformulated gasoline blendstock, or RBOB, recently traded 1.28 cents, or 0.5%, higher at \$2.5915 a gallon. January heating oil recently traded 3.76 cents higher at \$2.8870 a gallon.

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US OIL INVENTORIES: Crude Stocks Fall Far More Than Expected

NEW YORK (Dow Jones)--U.S. crude inventories fell more than

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Get to know the PSE team. Stay connected and up-to-date with current changes taking place at PS Energy. View changes in the marketplace, along with products and services and other industry trends.



You can make a positive impact on the environment and your bottom line. Let PS Energy help you lighten your environmental footprint and demonstrate a higher level of environmental responsibility through better fuel consumption and the use of wireless technologies.



The etrac-TS Telematics team is here to help you achieve the full benefits of your telematics rollout.



analysts' expectations last week,

Crude oil stockpiles fell 10.6 million barrels to 323.6 million barrels, compared with an average survey estimate of a drop of 2.4 million barrels. The American Petroleum Institute, an industry group, reported a 4.6 million-barrel draw in its weekly report released Tuesday.

Futures prices rocketed higher on the news Wednesday, rising 0.9% in the minutes after the release, to \$98.94 a barrel on the New York Mercantile Exchange. Gasoline futures were up 1.4% to \$2.6165 a gallon, and heating oil was up 2% to \$2.9063 a gallon.

Crude oil inventories are in the upper limit of the average range for this time of year. Motor gasoline inventories were above the upper limit of the average range, and distillate fuel inventories were in the lower limit of the average range.

Gasoline stockpiles fell 412,000 barrels to 218.4 million barrels, the department's Energy Information Administration said in its weekly report, compared with an expected 1.2 million rise forecast in a Dow Jones Newswires survey of analysts.

Distillate stocks, which include heating oil and diesel fuel, fell 2.4 million barrels to 139.1 million barrels, compared with analysts' forecast of a drop of 300,000 barrels.

Refining capacity utilization fell 0.2 percentage points to 84.9%. Analysts had expected a rise of 0.3% to 85.4%.

API pegged refinery utilization at 83.1% last week, down 2.1 percentage points. The industry group reported that stockpiles of gasoline fell by 394,000 barrels and distillates fell by 2.8 million barrels.

U.S. Oil Inventories:

For week ended Dec. 16:

	Crude	Distillates	Gasoline	Refinery Use
EIA data:	-10.6	-2.4	-0.4	84.9%
Forecast:	-2.4	-0.3	+1.2	85.4%

(Figures in millions of barrels, except for refining use, which is reported in percentage points. Forecasts are the average of expectations in a Dow Jones Newswires survey of analysts earlier in the week.)

according to data released Wednesday by the U.S. Department of Energy.

By Christian Berthelsen. Dow Jones Newswires: 212-416-2381.

In addition to wireless monitoring of fuel tanks, PS Energy's etrac-TM is able to monitor propane, water, liquid fertilizers, and various other liquids.

RETAIL FLEET FUEL CARD



PS Energy has formed partnerships with Wright Express, Voyager, and Comdata - first tier card vendors accepted at over 99% of all fueling locations nationwide. These fleet fueling cards allow for control at the card level, as well as the account level, giving fleet managers the ability to manage retail purchases more efficiently.

Cards can be assigned to drivers, vehicles, or organizations, and purchases can be limited to meet our customers' needs. These fleet cards can also be used at onsite locations, if such service is needed. Using PS Energy's one-card program makes it easy to fulfill all your fleet fuel and maintenance needs, while gaining maximum control and flexibility.

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HOLIDAY FLYING TO FALL SLIGHTLY

by weather.com and The Associated Press

NEW YORK (AP) -- Fewer people will fly this holiday season, but flights will still be packed.

That's according to a forecast released Tuesday by the main trade group representing U.S. airlines. Airlines for America predicts that about 43.3 million travelers will fly on U.S. carriers over the three-week holiday period, a 1 percent decline from a year earlier. That works out to about 20,000 fewer people per day. The trade group attributes the decline to "lingering economic concerns" and high energy prices that are limiting would-be travelers' disposable income.

About 1.6 million to 2.3 million people are forecast to fly each day between Wednesday and the first week of January.

Even with fewer passengers, fliers won't have more room to stretch out. Flights will be full because airlines have reduced the number of flights and planes, the trade group said.

Packed planes don't just mean less leg room, though. Fuller planes also mean more delays if something goes wrong. Last year, when major snowstorms shut airports and crippled airlines, millions of travelers waited days to find other travel options.

A4A didn't offer a specific forecast for what passengers are paying to fly. But its chief economist, John Heimlich, expects fares in December will be on par with the rest of 2011, or about 10 percent higher than a year ago.

Even with higher fares, A4A notes that airlines are holding on to less than a penny in profit for every dollar in revenue. That's because operating expenses, mostly due to higher fuel prices, are climbing just as fast as sales.

Travelers bracing for packed planes and long lines should keep these tips in mind to make travel run smoothly:

At Home

- Check in a full 24 hours ahead of your flight. This will help in getting the seat you want and possibly give you a leg up later on. Some airlines board fliers according to check-in times.
- Don't forget your bags. When you check in online, make sure you indicate if you have a checked bag. Checking in luggage online will save time at the airport.
- Arm yourself with information. Look up the airline's customer service number and its contract of carriage - the



PS Energy's Emergency Fueling Program

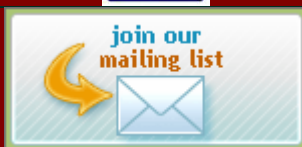
PS Energy can provide guaranteed fueling during times of disaster through one of three distinct levels of Emergency Fueling Programs.

Don't wait! Call now to arrange to have your company set up on an emergency fueling program.



PS Energy Group is committed to developing mutually beneficial business relationships with other small businesses owned and operated by minorities and women. To see if you qualify and to register with us, go to:

[PS Energy Supplier Diversity](#)



list of rights you have on a flight - on the airline's website before you leave home. It'll pay off if something goes wrong.

- Brings snacks and an empty water bottle. You can fill the water bottle after you go through security.
- Don't wrap gifts. The TSA will unwrap anything they deem suspicious. Don't risk it.
- Pack sensibly. The holidays might not be the best time to stuff a carry-on to avoid a checked bag fee. Overhead bins will be extremely full.

At The Airport

- Arrive early. It's the easiest way to de-stress your trip.
- Plot your attack. There are smartphone applications that let you check everything from the emptiest parking lots to security wait times. You can also sign up for flight alerts though the airlines or online travel sites that will let you know if you know if your flight is delayed or canceled.
- Wear slip-on shoes. They're the easiest to get on and off at security. This year, though, kids under 12 won't have to remove their shoes.
- Think like a seasoned traveler. Have your liquids in a plastic bag outside of your suitcase before approaching security. Take off your belt, and remove everything from your pockets (new body scanners are more sensitive to those items than metal detectors.) Also, have your boarding pass and identification in your hand to speed things up.

2011 WHITE CHRISTMAS FORECAST

weather.com



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